

# EXECUTIVE SUMMARY

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This report describes the Washington Water Acquisition Program, a voluntary initiative that offers monetary compensation to water-right holders who are willing to revert all or a portion of their right back to the state to benefit salmon. The Department of Ecology (Ecology), which manages state water supplies, will hold the water in trust to restore stream flows.

Acquiring water rights is one of many ways to help restore stream flows across the state. As outlined in this document, the Washington Water Acquisition Program strategy provides a framework that links different approaches and guides future water-rights acquisitions.

Water-right holders who choose to participate in the program can sell, lease or donate all or part of their right. The program is focused on increasing stream flows in 16 basins or “watersheds” across the state experiencing chronic water shortages. While each basin is unique with its own distinctive set of issues, all water-rights acquisitions need to be undertaken in a consistent fashion to ensure fish actually benefit and the public gets the best possible investments.

## Background

Washington residents, state lawmakers, Indian tribes and federal, state and local agencies have long recognized the environmental, economic, cultural and social benefits of keeping enough water in our state’s streams and rivers. Beginning in 1989, the state legislature passed several key provisions allowing the Department of Ecology to acquire water rights on a voluntary basis and hold that water in trust as a way to increase stream flows for fish or provide water for irrigation, municipal and other beneficial uses.

In 2000, the legislature provided \$1 million to Ecology to fund a pilot program to acquire water rights in the Dungeness, Methow, Walla Walla and Yakima basins. During Washington’s second-worst recorded drought in 2001, the department negotiated 21 water-right leases with farmers to keep water in several key fish-bearing streams.

Water-right acquisitions proved to be effective in keeping many streams and rivers flowing during the drought emergency and have assisted in restoring stream flows in the four pilot watersheds.

## Low stream flows put fish populations at peril

Unfortunately, in many of the state’s 62 watersheds, water conditions remain too poor to sustain most life stages of fish. Water withdrawals, impoundments and land use changes have caused extremely low flows in nearly one-fourth of the state’s river basins. The 1999 *Washington Statewide Strategy to Recover Salmon* found that 16 watersheds were “over-appropriated,” meaning more water has been legally allocated than is naturally available.

The salmon populations in these critical basins require intervention to keep them from further harm or possible extinction. Many fish species found in these basins are currently listed as threatened or endangered under the federal Endangered Species Act.

The 16 critical basins are evenly split between Eastern Washington (*Lower Yakima, Methow, Middle Snake, Naches, Okanogan, Upper Yakima, Walla Walla and Wenatchee watersheds*) and Western Washington (*Cedar-Sammamish, Chambers-Clover, Duwamish-Green, Elwha-Dungeness, Nooksack, Puyallup-White, Quilcene-Snow and Snohomish basins*). Acquisitions within the 16 basins will be targeted to small tributaries with good fish habitat located in areas where there is willingness and interest from water-right holders and the local community.

## **Tools and challenges**

A number of water acquisition tools are currently available. Some, like water-right leasing and purchasing, have already been used on a limited basis. Other more innovative measures such as water banking, auctions, source water substitution and dry-year leases are currently being tested and employed. Determining which acquisition tool is best depends on a wide array of factors including the extent and duration of instream-flow problems, acceptance by water-right holders and communities of instream flow needs and available funding.

The market exchange of water to increase stream flows is limited, despite strong interest and support by local, state, federal, tribal and private entities in using market-based incentives to find water. One of the most challenging tasks in acquiring water rights to improve stream flows is finding willing sellers.

Many potential participants are uninformed about the problem, have concerns about the long-term impacts of transferring water out of agriculture or other industrial uses, and generally mistrust both instream flow transfer activities and governmental-run water markets. Ecology and its partners are working to broaden public media understanding about the need to increase and maintain stream flows, raise awareness about the program and build public and private partnerships to establish an active presence in the communities where acquisitions are needed.

## **Coordinating acquisition efforts vital**

In order to maximize expertise and keep duplication to a minimum, Ecology has been working closely with a number of different state agencies including the Governor's Salmon Recovery Office, Department of Fish and Wildlife and Washington Conservation Commission; federal entities such as the Bureau of Reclamation and Bonneville Power Administration; tribes; local conservation districts and salmon recovery boards; and private organizations such as Washington Water Trust and Walla Walla Watershed Alliance. Some activities described in this report will be carried out by entities other than Ecology, either under contract or by mutual understanding.

Finally, since millions of dollars of state and federal funds are expected to be spent on water rights acquisitions, there is a need to become more sophisticated and knowledgeable about the effectiveness of water rights acquisitions as well as public acceptance and participation in the program. Lawmakers, participants and the general public need to be confident that their water acquisition investments ultimately help fish populations by putting water back in areas where it is needed most. It is therefore necessary to have a well-defined compliance and monitoring program in place to ensure protection of trust water rights acquired for instream flows and evaluation and improvement of water acquisition activities over time.